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AMERICAN MANAGEMENT REVIEW

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AMERICAN MANAGEMENT REVIEW

October, 1925

THE MEMBERS' FORUM

Foremanship Training—Management's Next Big Job

Writing an "M. D." behind a man's name is not sufficient to qualify him to go out and practice as a physician. Mere appointment of a man to the responsible position of foremanship is no more sufficient to qualify a man to discharge the functions of foremanship effectively.

Progressive managers are wide-aware to the fact that they must train their foremen so that management's policies, plans and desires will actually be placed in effective operation. Many a well conceived managerial program has never filtered down so that it became effective among the men in the ranks, because the foreman acted as an "insulator." When a foreman acts as an "insulator," there can be but two causes: first, he has not been sold on the idea and does not want to put a given policy into effect; or, second, he just has not the understanding and capacity to absorb and transmit the idea or policy into action on the part of his subordinates.

In either case the management is responsible. If the foreman has not been properly "sold" on a plan, management is at fault, even admitting that we have "bull-headed" foremen now and then. Eight out of ten foremen, who act as "insulators" because their understanding is inadequate, can be transformed into very effective "conductors" by a program of practical foremanship training.

The great bulk of foremen in industry today are functioning very incompletely simply because managers have not thought to provide their foremen with sufficient facts about the business. Management has not been careful to impress upon its foremen the fact that modern industry is looking for

leaders, not drivers. We are now satisfied that men can be led further than they can be driven.

A foremanship training program must be practical in its application. The material presented to foremen must be concise and in such form as to be easily assimilated. It must be borne in mind that the average foreman is not a student. He is an extremely practical man who has usually been educated in the school of industrial experience. He has a supreme contempt for "experts." The conductor of a foremanship training program must not pose as an "authority." He must act as a steering committee to keep the training program on an even keel.

The subject matter forming the basis of training for foremen should include consideration of the following: handling men, inter-departmental relations, the functions of foremanship and the functions of management. A much more detailed list might be set down here, but perhaps the above general heading will be inclusive enough.

There is a move on foot to win recognition for foremanship as a profession. Foremanship, as it is now conceived by progressive industrialists, is a high calling, demanding men of high character and ability to properly perform its functions. Foremanship has possibilities for social service second to no other profession. If we can set high ideals and standards for the practice of foremanship, we will soon raise the quality of foremen. Universal recognition of foremanship as a high calling of equal rank with the already recognized professions is the first step. Once foremanship has earned the right to be dignified among the professions, a higher class of men will be attracted to its ranks.

The training of its foremen is management's responsibility. It is management's next big job.

G. L. GARDINER, *Director of Foremanship Training,
Oakland Motor Car Division, General Motors Corporation.*

Organization Defined

1. Organization is "the act of organizing." To organize is "to bring into systematic relation as parts of a whole." (Desk Standard Dictionary, Funk & Wagnalls.)
2. "The act or art of organizing is 'division of work to be done into defined tasks and assignment of these tasks to individuals qualified by training and natural characteristics for this efficient accomplishment.'" (L. P. Alford, Management's Handbook, p. 1245.)
3. Organization is "the machine of management." (Oliver Sheldon, The Philosophy of Management.)
4. "Organization consists of the laying out of the scope and limits of action of the various individuals and groups of individuals whose work is

required for carrying on the objects of the establishment. It consists further of the uniting of these individuals and groups of individuals in such a manner as to co-operate for the common good, harmoniously, promptly and economically." (Hugo Diemer, *Factory Organization and Administration*, p. 23.)

5. Organization denotes "the art of splitting up the main purpose, or function of an industry, into many lesser purposes or functions, which will be in the capacity of individual attainment." (G. Sumner Small, *Practical Organization Principles*. *Industrial Management*, March, 1921, Vol. XLI, No. 5, p. 183.)

6. "Organization is that relationship which exists between the functions of the personnel in order to effect the purpose of the particular business institution involved." (Paul Mazur, *The Logic of Department Store Organization*. *Harvard Business Review*, April, 1925, p. 287.)

7. "Functionalization may be defined as that fundamental of organization which requires that all the proper functions of a business be recognized, granted existence, combined where similar or complementary, and placed under the direction, supervision, and control of properly qualified executives who have only one, or at most but a few, similar functions to perform." He adds that "Functionalization, in short, means the analysis, subdivision, and grouping of the logical and necessary units of activity of an organization so as to secure, by decentralized specialization, the greatest results from individual and combined effort." (Webster Robinson, *Fundamentals of Business Organization*, 1925, p. 36.)

8. "Organization is the arrangement of the various activities used by the executive officer or officers in managing or directing, or operating any concern. Organization is the process employed or used in managing. The various processes used in the managing of any concern or enterprise is called organization. How to use various processes of organization in the managing of any concern or enterprise."

"*Organization* is the way in which the activities or functions are arranged and the people doing them; *management* is the direction of these people according to the arrangement of the organization." (J. C. Orcutt, *Irving Bank-Columbia Trust Company*, New York.)

9. "Management organization presumably means the organization of and for Management. Management means that phase of an undertaking which relates to (a) making policies, (b) developing programs, (c) setting standards, (d) applying programs to financial, physical and human resources, (e) maintaining plant, equipment, supervisory, labor and clerical forces at maximum efficiency; and which by the foregoing means and also by means of current direction, conference and inspection aims to assure the delivery of commodities and/or services according to program, within a scheduled time and at minimum cost." (J. B. Deacon, *Tide Water Oil Company*, New York.)

10. "Management organization might be defined as that process which results in the establishment of lines of authority and responsibility which indicate the content of and relationship between jobs in a company, so that the purpose of the business will be divided as economically as possible into major functions, these major functions into lesser functions, and so on, until the entire work is within the compass of performance by people of varying ability." (H. B. Bergen, Henry L. Doherty and Company, New York.)

Professional Aspects of Management

In the professions, men have three fundamental things in common. Firstly, every professional man is supposed to have a good moral character; secondly, he is supposed to have a mind that is studiously inclined and ambitious to learn the art of the craft that he follows; thirdly, he is supposed to be possessed of an altruistic spirit that leads him to service. In the case of the minister, in the case of the doctor, you readily recognize those three fundamental principles; also in the teaching profession, in engineering and in law; and the solution, it seems to me, of many of the problems with which industry and commerce are faced lies in the fact that the chiefs of business have awakened to the realization that in this day and generation it is necessary to find the scientific basis of business and to build the structure thereon.

FREDERICK P. VOSE,

Vose and Page.

Budgeting for the Business That Is Different

The fact that a considerable part of the time at the American Management Association Conference being held in New York City this month is devoted to the subject of budgeting serves to emphasize again the increasing attention which is being paid by practical business men to this important phase of business management. It is not because the budget is something new nor because experienced persons look upon the budget as a panacea for business ills that we hear and read so much about budgets to-day. As a matter of fact, the fundamental principles upon which any system of budgetary control rests are as old as business itself. Moreover, business has had too many painful and costly experiences with quack doctors to be anything but highly suspicious of schemes which are even faintly suggestive of cure-all methods.

Despite the fact that numerous successful experiences have shown conclusively that it is possible to apply the principles of budgetary control in a variety of kinds of business, each with its particular problems, one still fre-

quently encounters business men who insist on defending their failure to adopt and organize a systematic and organized plan of budgetary control on the grounds that their business is different. This attitude is, of course, the old familiar alibi which is almost invariably given when anything new or unusual is proposed. The advocates of cost accounting systems have had it to contend with for a number of years. The greatest prejudice which the pioneers in the field of office management have had to face is the statement that it is impossible to apply in the office the same principles that have been in successful use for years in the factory. As between two departments of a particular business, how often have we heard the statement that such things as cost analysis and methods of expense control and reduction, to mention only two, are doubtless worth while and practical in the factory, but because conditions are different it would never be possible to make any real use of them in the Sales Department.

These prejudices still exist to some extent even where methods have been in successful use for so long and in such a large number of concerns that their desirability and place in the organization is taken as a matter of course. In the case of budgeting, due primarily to the fact that its formal adoption for business purposes is only fairly recent, this questioning attitude is more pronounced. It is, therefore, the purpose of what follows to cite the actual experiences of a variety of companies which are successfully operating on a budget basis, and in this way, to show that the adoption of such a plan is, as a matter of fact, a practical proposition, even in the business which is supposed in some mysterious way, to be different.

In the writer's opinion most effective work has been done in breaking down the feeling that the budget has a limited practical application in business. During the last two years, the Policy Holders' Service Bureau of the Metropolitan Life Insurance Company has published a number of reports, describing in a specific and practical way budget plans in actual use in such widely diversified lines of business as banks, railroads, newspapers, ice cream manufacturing plants, construction and contracting companies, hotels, canneries, metal working establishments, department stores, oil companies, etc. In all, more than a dozen such reports have been prepared. In every case the procedure has been to obtain first-hand information regarding the experiences and specific methods of procedure of a number of companies and to use this information as a basis for compiling the report.

A few examples will perhaps be of interest and will serve to emphasize more specifically the reasons why the writer feels that it is entirely practical to apply the budget principle to a wide variety of businesses. One might think, for example, that the business of banking and that of hotel management, have little, if anything, in common. Yet a large bank located in New York City is able to estimate its expenses to within one per cent, and in many

instances to within one-tenth per cent, of their actual payments, while the budget figures of one of the houses of a chain of hotels show that the actual receipts from one of the sources of income for the period January to June, 1925, were within .70 per cent of the estimate and that the total estimated receipts in the same hotel for the same period were 96.42 per cent correct. For the year 1924 the estimated net profits of the Chicago Trust Company were approximately only \$2,000 short of the actual net profits.

Newspapers, unlike the ordinary business enterprise, can not curtail their production, to say nothing of shutting down, in times of depression. Moreover competitive conditions, such as the inclusion of a rotogravure section or the establishment of a foreign news service, greatly influence expense. Nevertheless, a midwestern newspaper finds it possible to estimate both income and expense within 5 per cent of the actual amount. In the same class is a publishing house which is able, after two years' experience with a budget plan, to secure within an average of three per cent accuracy in its estimates.

Actual Sales Close to Estimated

The executive of a well-known eastern department store, in discussing the budget system of his store with the writer, showed him the figures of the budgeted and actual sales in a certain department for the month just passed. The budgeted sales were \$31,000, the actual sales were \$30,921. A metal working plant, whose problems are very obviously entirely different from those of a retail store, experienced a 99.72 per cent correlation between estimated and actual figures for production and sales. The trend and growth of population, general business and economic conditions and a host of other things, directly influence the income and the expense of public utilities, but as is well known, the American Telephone and Telegraph Company have found it entirely practical to forecast the principal items of its business, including revenues and expenses, construction work and total station gain for a period of five years. No one has yet discovered a way in which to accurately forecast the weather more than a few days in advance but a midwestern ice company, nevertheless, finds it practical to operate on a budget basis.

We might continue indefinitely with examples of the applicability of the principles of budgeting to various apparently unrelated lines of business. It is hoped, however, that enough has been said to convince even the most skeptical person, not only that a budget plan is a most desirable aid to better management but that its fundamental principles are ones which can be applied to almost any business, even to the business that is different.

J. H. MACDONALD,

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New York University.*

THE MANAGEMENT INDEX

Abstracts and News Items

GENERAL MANAGEMENT

The Appraisal and Valuation of Plants

An appraisal enables the manufacturer to face facts, provides a basis for sale or merger and facilitates insurance adjustments. It has a variety of uses, including a knowledge of costs as affected by plant depreciation, interest on capital invested, and the fixing of a profitable selling price; the securing of bank credits and loans; issues of stocks and bonds; a basis of co-operation of different companies; settlement of a business in liquidation; determination of depreciation, and other particulars for income tax returns. By W. A. McLean. *Industrial Canada*, September, 1925, p. 44:1.

Management of Industry in India

A description of the application of scientific management to the jute industry. Cheap land permits single story buildings. Overseers are usually Europeans. The plant layout, the system of management, and housing conditions all combine toward a practical, well-regulated scheme of mass production of jute and cotton goods in India. By Roland A. Packard. *Industrial Management*, September, 1925, p. 162:3.

Why Systems Fail

The principal reason for the failure of a system is that it does not reflect a definite purpose and a comprehensive plan. Most systems just grow. Too often de-

partment systems operate as units, but un-co-ordinated. Equally vicious is the ready-made system installed without regard to necessary local adaptations. No system is a substitute for executive ability. Systems are nothing more than a means of giving expression to the ideas of those who manage. By Robert Julius Andersen. *Bulletin of the Taylor Society*, August, 1925, p. 203:3½.

An Industry Which Created a Town

A description of the realized idealism of Mr. Walter J. Kohler. Kohler Village, Wisconsin, is a planned industrial community and aims to instill in each person associated in the enterprise the truism: "He who toils here has set his mark." Through a building and loan association any employee can secure financial assistance to buy a lot in his own name and build a home for himself and family, thus becoming an integral part of the community's social and civic life. The Kohler Improvement Company erects houses for employee purchasers under designs prepared by able architects. Monotony of design is avoided and each house is landscaped by the Improvement Company. The houses, which are well built with the best of materials, are sold to employees at cost. Every line of social activity is organized and there is an adequate school controlled by a local board. Prizes are awarded by the Civic Club for appearance

of homes and gardens. The company is equally progressive in its industrial activities, and has a substantial Benefit Association, Group Insurance and a Medical Department whose office is always open. Americanization is promoted. By N. S. Amstutz. *Industrial Management*, September, 1925, p. 159:4.

We've Developed Real Co-ordination Between Sales and Production

The President of the American Blower Company describes how they were able to take advantage of business possibilities through increased co-operation of the production and sales departments. The close contact between the sales manager and the superintendent was aided and supported by suggestions from workmen. In one instance a product was designed and produced which could be sold for 35 per cent less than its predecessor. For several years the plant has operated steadily and one of the best by-products of the co-ordination is an increased pleasantness throughout the business. By James Inglis. *Factory*, September, 1925, p. 365:4.

Trade Statistics and Public Policy

The Maple Flooring Manufacturers and Cement Manufacturers cases have developed an entirely new situation for trade associations. The evolution of industry has made the collection and dissemination of facts by each industry more and more important. The author points out that the functioning of the competitive system would be greatly improved if every buyer and seller were actually apprised of conditions affecting supply and demand. This would make it possible to a large extent, to eliminate the middle man, whose function is to assume the risks due to lack of knowledge and to eliminate the cost incident to such risk. The same applies to the collection and dissemination of cost figures, knowledge of which would facilitate greatly the steps necessary to increase the efficiency of each individual business.

The Supreme Court has laid down four features of a co-operative interchange of statistics which taint any such action with illegality. They are:

1. Secrecy in the use of such information.
2. Fraud in the compilation of such data.
3. Any concerted action based upon such data the necessary tendency of which is to restrict competition.
4. Circulating prices other than actual prices which the product has brought in past transactions. By Franklin D. Jones, *Harvard Business Review*, July, 1925, p. 394:10.

Industry's Partner—the Community

The liveableness of the community contributes largely to the contentment and happiness of the workers. Housing, food, cost of living are mighty contributions by a community to the ever-pressing labor problem. Conditions in Baltimore are described which led the American Sugar Refining Company to locate a huge refinery there. The Philadelphia area has many similarities to Baltimore and that city's advantages for industry. The movement of many industries to small towns is due in large part to the fact that a big fish in a little puddle gets better treatment than a reverse case, generally speaking. By John A. Piquet. *Industrial Management*, September, 1925, p. 183:5.

Daily Stock Control

A practical stock regulating and budgeting plan as used in the Reynolds Brothers, Incorporated, store is described. The store is guided by its indications. Not only overbuying, but underbuying as well, is controlled in this way. It has proved so effective that instead of adding to office duties it simplifies them. And in addition it has brought such order into the place that the work of the office has been reduced to a point where an exceptionally small force can handle it with ease. By W. H. L. Hamilton. *System*, September, 1925, p. 270:2.

FINANCIAL MANAGEMENT

The Basis and Nature of Industrial Financing

An examination of certain general principles in regard to the financial structure of successful industrial corporations. Summarizing the results it is found that five have the simplest possible financial structure, that is, one class stock only; that four have no debt in the hands of the public, but only preferred and common stocks; that two companies have no preferred stock but only funded debt and one-class stock; that five corporations have the more or less conventional financial structure consisting of mortgage or funded debt, preferred and common stocks.

The facts seem to indicate that the financial structure should be as simple as possible in the case of industrial corporations, and of an extremely conservative nature. A funded debt of 25 per cent of assets and funded debt and preferred stock combined of 50 per cent of assets mark the limits of conservative capitalization. By William L. Raymond. *Barron's*, September 21, 1925. p. 3:1½.

A New Method of Balance Sheet Analysis

This requires only the sales for the year in addition to the balance sheet, and brings out seven additional comparisons. By this method an informative picture of a company's financial condition is given, showing up the strong and weak points, and furnishing undisputable ground for credit facts. *Management Methods, Number Four. Policyholders' Service Bureau: Metropolitan Life Insurance Company.* 12 pages.

Time Savings Fund Deposits in Commercial and Labor Banks

Time savings deposits in state banks and trust companies may not be looked upon as largely composed of the savings of wage

earners, although there is a tendency for the small saver to avail himself of these facilities. Such accounts are general for business houses. Inactive business conditions mean the piling up of deposits that are later withdrawn to meet the demands of a season of heavier production. This action is in direct contradiction to the movement of wage earners' savings. The relative influence of these two opposing forces are shown in a tabular statement. By Margaret H. Schoenfeld. *Trend of Wage Earners' Savings in Philadelphia. Supp. to Annals of the American Academy of Political and Social Science*, September 1925, ch. 3, p. 15:3.

Easy Money

The most important fact of the current business situation is that exceptionally easy money is becoming a thing of the past. For more than a year short time interest rates have been slowly but steadily advancing. The current rates for high grade time loans are slightly higher than their averages over the past 35 years. This does not mean that we are on the verge of a business recession but it does mean that one of the controlling factors is in process of change. *The Cleveland Trust Company Bulletin*, September 15, 1925.

Our Sales Must Fit Our Budget

In the budget estimates made by the Knox Hat Company not only sales are included, but the net profit that is expected to be made on those sales. Added profits from increased sales through methods that would increase the budget, or methods that would prevent liquidation of all current bank indebtedness at some time during the year, are not considered. It is believed that an accurate test of sound management is the ability to "clean up" every year, and this rule is rigidly followed. By Fletcher H. Montgomery. *Business*, September, 1925, p. 15:2.

Budgeting the Outgo

The present article in this series is concerned with those more important budgets on the side of expense, and methods are described as to how to prepare budgets of production, materials, payroll, overhead, advertising and office expense. By J. H. MacDonald. *Business*, September, 1925, p. 14:234.

Death Knell of Individualistic Banking

Cyclonic changes are in progress in American banking development; the only alternative to branch banking which confronts the advocates of independent banking is to submerge individualistic conceptions to principles of co-operation. The establishment of city and county clearing house associations, closer organization and finer systematization are the channels

through which to preserve independent banking in its true sense, and to meet the requirements of greater safety, better service and economy of administration which are claimed for branch banking. By C. A. Chapman. *Trust Companies*, August, 1925, p. 140:3.

Bell Telephone System Budget Plans

The general plan of procedure in the preparation of budgets in the Bell Telephone System is given, and the reliability of the forecasts in 1924 indicated. The data made available through the preparation of a budget offers an excellent means for checking actual performance, and of course builds a sound foundation for financing. By C. A. Heiss. *Management in Manufacturing*, September, 1925, p. 133:4.

OFFICE MANAGEMENT

Space: Location, Equipment, Arrangement

Office Layout and Routine

The best time to check up on office methods and to inaugurate new office policies is when a move is made. The office plans of the Intertype Corporation and Steinfeld, Inc., are described, both of whom have taken new quarters. Such problems are discussed as visitors, routine orders, monthly statements, noise, filing, and supplies.

Dictating machines are used by the Intertype Corporation, and it is a rule that no transcriber shall do one man's work all the time, as he thus would be inconven-

ienced in her absence. By Eleanor Boykin. *Credit Monthly*, September, 1925, p. 10:1½.

The Office Layout

A specialist in this subject stresses its importance in the conduct of modern business. He discusses at length location, provision for expansion, rearrangement to economize space. In subsequent articles a more detailed treatment of office layout will be given. By Warren D. Bruner. *Office Manager*, October, 1925, p. 303:2.

Organization: Job Analysis, Employment, Pay, Tests

Where Education Is Required

The New York Stock Exchange will not employ teen age boys unless they have graduated from high school or are attending evening school. Special consideration in regard to promotion is given to those

employees who, having completed the four-year high school course or the equivalent thereof, are enrolled and regularly attending special courses in finance or work pertaining to Wall Street. Twice a week, all pages on the Floor and in the Bond De-

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párts, and junior clerks of the Secretary's office are expected to appear for classes in business economics, where they are instructed by twenty-five Wall Street specialists. Real proof of the efficiency of this training program is furnished whenever there is an active market. By D. C. Vandercook. *Trained Men*, September and October, 1925, p. 151:3½.

The Content, Design and Use of the Roster Card

Several forms illustrate the subject of this article, which is discussed at length and in considerable detail. Several conclusions are drawn with regard to personnel record keeping. *Public Personnel Studies*, August, 1925, p. 214:12.

Uncovering White Collar Talent

A systematic plan of rating employees offers possibilities of revealing lights hidden under bushels, of justly rewarding demonstrated ability and of comparing ca-

pabilities of clerks in different departments. Misfits are frequently discovered. The worker realizes that his effectiveness is brought to the attention of the "front office" and accordingly puts forth more effort. Graphic methods of rating are illustrated, and their relative success indicated. By Eugene J. Benge. *Office Manager*, October, 1925, p. 301:2.

Stimulating the Office Staff

Another plea for salary standardization and a definite means of promotion. The giving of titles not only adds prestige, but defines the realm of responsibility. A practice of encouraging suggestions, especially in an occasional conference, is productive of good results. In one firm the daily rest period is regarded as the most important factor in making the office workers more contented. By Eleanor Gilbert. *Office Manager*, October, 1925, p. 307:3.

Administration: Regulations, Supplies, Communications

How the Phoenix Mutual Life Insurance Company Saved Money on the Purchase of Printing and Stationery

A centralized system of purchasing for the Home Office and all Agency offices was adopted, a clearly defined policy of organization was determined, and standardization of all equipment, forms and methods was put into effect. Enormous savings were made possible by a comparison of stock and the use of adequate substitutes. More economies were possible by preplanning the printing. Details are given. By Wells R. Bill. *Office Manager*, October, 1925, p. 305:2.

Control of Stocks of Merchandise

A brief description is given of the quantity phase of merchandise control and a system of records is described which is used with excellent results in the National

Cloak and Suit Company. By Herbert C. Freeman. *Official Publications: National Association of Cost Accountants*, August 15, 1925. 11 pages.

A Purchasing System for the Bank of Medium Size

Records should be as simple as possible, up-to-date and complete at all times to get the best results. The subject is summarized under the following heads: 1. Consult the individual or department most interested in the use or distribution of the article which is to be purchased. 2. Purchase the smallest quantity possible without sacrificing price. 3. Use representative firms for competitive bids. 4. Distribute supplies only as needed. 5. Use standard forms whenever possible. 6. Put quality and service before price. By Fred J. Nelson. *The Bankers' Equipment-Service Bulletin*, August, 1925, p. 5:2.

Handling the Office Caller

The duties of a reception clerk are not always confined to handling callers. A summary of the additional duties performed in fifty representative offices in Chicago include the adjustment of complaints, co-ordination of all information service, handling of telephone and telegraph traffic, supervision over office boys and messengers, displaying samples and outstanding products of the organization, assisting at mailing desk, handling small or incidental sales, and demonstrating products. Attention is called to the inadvisability of using comparatively young girls in such positions, and the selection of a man of middle age is recommended, one who has had experience in an executive or semi-executive capacity. *National Industrial Conference Board, Service Letter.*

Letters Which Help the Bank

The formal expressions long customary in bank correspondence are being superseded by direct, frank and courteous messages such as characterize the messages of the most progressive business firms. This change is bringing about reactions which tend to hold new customers and to make it easy for lost accounts to be regained.

Letters soliciting new business must have something to sell. While not ignoring the physical appurtenances which after all are common to all banks the clever sales writer will devote his letter to those intangibles which mark his bank as distinctive, as different from the common run and cause the reader to think of his bank as "my bank." By Henry A. Burd. *American Bankers' Association Journal*, September, 1925, p. 183:2½.

Records: Forms, Charts, Cards, Files, Statistics

An Analysis of Personnel Forms

Results of a questionnaire gathered by the Pittsburgh Personnel Association. Sample forms are shown, and tables give the essential items which should appear on the employment records. The tendency

in personnel forms is seen in this study of 77 different concerns. It is felt that the service record will have to be adapted to the production units of each individual company. By David R. Craig. *Industrial Management*, August, 1925, p. 122:3.

Benefit Systems and Incentives: Group Insurance, Pensions, Profit Sharing, Wage Plans, Suggestions, Vacations, Stock Ownership

A Bonus System That Works Both Ways

The San Antonio Public Service Company has used with great success a plan which has noticeably decreased the number of errors and has rewarded those who have rendered proficient service. It applies specifically to bookkeepers and meter readers. A monthly bonus of \$5.00 is given to each employee in these two departments who goes through the month with a perfect record. Penalties are then attached for errors made, but in no circumstance will the total amount deducted for penalties total more than the \$5.00 offered for the bonus. Examples of deductions for

errors are given. More than half of the bookkeepers get the full bonus each month. The plan is simple, economical and effective, and could easily be adapted to other concerns. By B. C. Reber. *Office Manager*, October, 1925, p. 313:2.

Our Workers Organize a Credit Union

The credit union of the American Express Company has shares, \$1.00 being the par value of their certificates. Money is received from the shareholders for deposit, but the actual cash is carried in an ordinary bank with which the union does business. These shares are subscribed for by the members, who are obliged to pay an

entrance fee of 10 cents, paying for the stock in weekly instalments of a dime or more. There is an advisory committee and a loan committee. The latter group passes on all the applications for loans. Large ones without collateral are not made, but smaller ones are, providing two indorsers, members of the union, go on the note as co-makers. By H. K. Brooks. *System*, September, 1925, p. 299:2.

Vacations as Prizes for New Business

The employees in one of the banks of Portland, Oregon, were divided into two groups several months before summer, to see which would succeed in getting the greater number of new depositors before the vacation period. Those on the winning side were given an extra week of vacation. *The Bankers' Equipment-Service Bulletin*, August, 1925.

PRODUCTION MANAGEMENT

General: *Promotion, Organization, Policy, Development*

Keeping the Neighborly Spirit as the Business Grows

How the Craddock-Terry Shoe Company maintains a common-sense management perspective is outlined in these co-operative plans upon which the factories are managed. 1. Employees of each department in each plant annually elect a representative to their Co-operative Shop Committee, to which is added five of the company's factory executives. 2. The company maintains group insurance on all of its employees. 3. The employees themselves maintain and operate a co-operative association. 4. A service bonus plan was tentatively adopted about three years ago under which in good years the employee who has been with the company ten years or more gets a bonus at the end of the year of 10 per cent of his year's earnings, and the employee with five years' service gets 5 per cent of his annual earnings.

With the good wages, the steady employment and the co-operative plans the company maintains a low cost per unit of production. Told by John W. Craddock to Roy Dickinson. *Printers' Ink Monthly*, September, 1925, p. 39:2.

Controlling Seasonal Slumps

A brief explanation of some of the methods employed by various industries, including the Dennison Manufacturing Company, the Knox Hat Company, and Floersheimer

and Salkin, to overcome slack production periods. *Steadying Business. No. 1. Policyholders' Service Bureau: Metropolitan Life Insurance Company*. 14 pages.

The Modern Manufacturing Plant

The Assistant Manager, Kelly Press Division, of the American Type Founders Company describes the new and largest automatic printing press factory in the world from outside appearance to heating system and service equipment. A summary of data on the Kelly Press Plant is given. By John F. Fallon. *Management in Manufacturing*, September, 1925, p. 119:6.

Style Shifts Hurt Garment Industry

In a report made by the Committee on Regional Plan of New York and its Environs, which has completed a comprehensive survey of the clothing and textile industries in New York and vicinity some of the difficulties caused by style shifts are thus summarized: "Chaotic and often financially ruinous business conditions for hundreds of manufacturers and merchants of women's garments. Chaotic employment conditions whereby thousands of garment workers are thrown out of work at least twice a year. Concentration of the women's garment industry in the main business section of Manhattan, thus greatly increasing traffic congestion. This is felt

to be necessary in order to be close to the center where style influences are first felt. All of which makes standardized

and efficient production methods practically out of the question." *The New York Times*, September 14, 1925.

Industrial Economics: *Labor and Capital, Legislation, Wage Theory, Immigration*

Industrial Payroll Increases Faster Than Number of Employed

The industrial payroll is on the increase at a rate faster than the increase in the number employed, indicating that wage scales are not on the downgrade. Neither the payroll nor the number employed is equal to 1923, according to an investigation made by the United States Department of Labor. But the manufacturing plants are employing a slightly larger number of men than in 1924, and compared with 1921 and 1922, the present year is reported as far in advance. *Industrial Relations: Bloomfield's Labor Digest*, September 19, 1925.

Competition is the Life of Trade

This maximum is analyzed in respect to its validity in the field of public utilities. The author takes it practically for granted that bureaucracy in the government acts as a soporific or anaesthetic. He takes the position that the gas industry is almost as bad as the government service, that transportation itself is almost equally as bad, that the electric light and power industry has shown tremendous growth, but largely thanks to the initiative of the man-

ufacturers of electric apparatus rather than the public utility companies. The telegraph and telephone companies are given as an example of extraordinary creative ability and creative genius which can only be explained on the basis that the telephone men are of the rare automotive type whose driving power comes from within and which therefore, would not need the external stimulation which competition alone can give.

The article analyzes the weaknesses of public ownership and of public utility regulation and suggests a method by which regulation may be improved if we are not ultimately to go over to public ownership. The author recommends the abandonment of regulation by control of capital issues and a substitution, therefor, of the establishment of standards of efficient management and the regulation of rates on the basis of comparison of operating efficiency. It is also suggested that in some cases it might be necessary to exert external pressure to increase efficiency by reducing rates and compelling managers to improve their methods. By Philip Cabot, *Harvard Business Review*, July, 1925. p. 385:9.

Employment: *Classification, Selection, Tests, Turnover*

Why Cotton Mills Have Been Moving South

Southern mills depend upon two sources, the young people growing up in their villages and the tenant-farmer class, for a very large proportion of their help. Mills are manned from their own and near-by villages almost entirely. They cannot hope

to retain many of their most capable youths or girls, as the positions are not sufficiently attractive or satisfying, but on the other hand they select the most intelligent, industrious and worthwhile people available. The number of potential mill hands continues to increase at a tremendous rate, because these people still believe in large

families. Figures are given showing that in all probability there will not be a shortage of mill labor in the South for many years to come. By Richards Woods Edmonds. *Barron's*, September 14, 1925, p. 7:1.

Physical Examinations

The Boston Edison Company has made arrangements with the Life Extension Institute of Boston whereby all employees who have been with the company for two years may receive complete confidential physical examination without charge. *Industrial News Survey*, August 31, 1925.

The Cost of Labor Turnover

A formidable array of statistics in various industries showing that there is not only a need for careful selection and training of workers, but also of means to encourage them to stick. Details of the experience of various industries are given, including the shoe, rubber and fan and blower. From a compilation of the various estimates made by the industrial and employment managers throughout the country it is believed that \$50.00 would fairly represent the average replacement cost per man in American industry as a whole. In many places there is no knowledge of cost, yet the estimated economic loss in the United States due to labor turnover

is placed by some as around \$1,500,000,000 annually. By Harold Fischer. *Industrial Management*, September, 1925, p. 150:3.

A System of Labor Control for Pay Roll and Cost Purposes

The method of labor control, from a cost and payroll standpoint, of the Claybourne Process Corporation, is presented. Brief mention is made of the activities and operations of the business. By Peter C. Jung. *N. A. C. A. Bulletin*, September 1, 1925, 17 pages.

Stabilizing Employment on Railroads

Among some of the methods for accomplishing this purpose are the following: the preparation of a budget; the control of non-revenue movements of freight; the possibility of affording to the individual continuous employment through his engaging under two different employers in the same occupation or under one or several employers in two or more occupations; the use of an elastic day varying between eight and ten hours; protection against the five major hazards of life,—sickness, accident, unemployment, superannuation, and the distress in which the family may be involved by the death of its head. By L. F. Loree. *Railway Age*, September 5, 1925, p. 435:3.

Employee Service: *Hygiene, Recreation, Lunch Rooms, Stores*

Aiding Employees to Own Their Homes

In order to avoid even the appearance of paternalism a certain large corporation has organized a separate real estate department, with branches at the various plants, which takes care of all matters pertaining to the planning, purchase or erection of employees' homes. The Company furnishes architectural, engineering, financial and legal assistance and advises the prospective house-builder all the way through the operation. In various ways, the company has assisted about 3,400 em-

ployees to own their homes. *National Industrial Conference Board, Service Letter No. 288.*

Simplified System Succeeds

Every employee of the Hillman Coal and Coke Company can buy at the Hillman store on charge account. These purchases are deducted from his payroll.

Every day a simple but inclusive report goes from each store to the main office at Pittsburgh. At the end of each month a report also goes into headquarters with

recapitulations for the monthly period. This constitutes the entire cash and charge records of the company as far as the store manager is concerned. By Louis Spilman. *Commissary*, September, 1925, p. 13:2 $\frac{1}{4}$.

Most Important Factor for Safety Work in the Plant

Foremen in the Crompton and Knowles Loom Works are rated annually on the basis of their lost-time accidents. Each year a so-called "management report" is

made out for each foreman, covering his performance as regards quality of product, production, handling of men, and costs. If a department does not show progress in the accident problem, it is marked "sub-normal," as to the handling of men. On the basis of performance as reflected in these management reports a foreman's fitness and efficiency are determined upon. Under this method they are much interested in having good accident records. By John F. Tinsley. *Monthly Labor Review*, August, 1925, p. 1:3.

Training and Education: Schools, Libraries, Apprenticeship, Employee Publications, Bulletin Boards

From Apprentice to Foreman

There is but one sure way to the broad and extensive experience necessary for foremanship, and that is through apprenticeship. The path from apprentice to journeyman to foreman is a direct one. A recent survey of a typical mid-western industrial community disclosed the fact that more than 95 per cent of the foremen had been apprentices. By H. A. Frommelt. *Trained Men*, September and October, 1925, p. 158:1 $\frac{1}{2}$.

The Foreman and His Safety Problems

It is now recognized that the foreman is the biggest factor in the elimination of accidents in the plant. The safety precautions must be interpreted to the working force. The first step is to discuss the physical requirements of each job, then the foremen are instructed to analyze each accident. The entire working force must be got to co-operate to the end of preventing accidents. By J. K. Novins. *The Dodge Idea*, August, 1925, p. 15:1 $\frac{3}{4}$.

Organizing the Tool Crib Personnel

Worthington methods of controlling work and training workers, including changes in standing orders, qualifications

essential for the tool crib personnel, work for which foremen, inspectors, clerks and attendants are responsible. There should be a definite plan of promotion within the tool crib. By Anker L. Christensen. *Management in Manufacturing*, September, 1925, p. 141:4.

Training of Foremen

In the Metropolitan-Vickers Electrical Company, Ltd., of Manchester, England, an apprentice is required to pass a simple entrance examination, set by the education department. Then for the following two years he receives special training in draughtsmanship, production, testing and inspection, rate fixing, general principles of industrial organization, economics, and elementary technical instruction relating to the design and manufacture of the more important of the company's products. At the conclusion of the period of training, the apprentice is attached to a superintendent's staff, or to a foreman for a period of not less than six months. All appointments as assistant foremen in the first place are for a probationary period of three months. By A. P. M. Fleming. *Welfare Work*, September, 1925, p. 159:1 $\frac{1}{2}$.

Benefit Systems and Incentives: *Group Insurance, Pensions, Vacations, Profit Sharing, Wage Plans, Suggestions, Stock Ownership*

"Merit System" Stimulates Morale

The merit system is used successfully in the cafeteria. The regulations governing grading points cover: efficiency, economy, cordiality, cleanliness, steadiness and punctuality, the highest monthly possible point being 200. As a reward for this, two weeks' salary is given at Christmas time. By Myron Oliver. *Cafeteria Management*, September, 1925, p. 7:1.

The Industrial Five-Day Week

The custom of closing stores on Saturdays during the summer is rapidly spreading also to factories throughout the State of New York. While "Saturday off" for factory workers was originally adopted as a summer policy, it is being gradually extended to a year round measure in many industries in one community after another. Nor is it being limited to the large factory; it is quite as common in small factories in small communities as in large factories in the larger industrial centers. Many employers have placed their closing policy on a production basis. *The Industrial Bulletin*, August, 1925, p. 285:1.

Wage Incentives That Fit the Job

Compensation based on group incentives is simple to compute and promotes co-operation. Details of the application of this type of plan in the Packard Motor Company, Judson Motor Car Company and the Westinghouse Electric and Manufacturing Company. Successful application of individual incentive plans used by the Burroughs Adding Machine Company and a foundry equipment company are also cited. *Iron Age*, August 27, 1925, p. 534:2.

The Problem of Old-Age Pensions for American Workers

The great life insurance companies have been consulted for advice and assistance, and certain of these companies have al-

ready undertaken to co-operate with large corporations in the administration of actuarially sound old-age pension plans for the employees of the corporations. A notable instance of such co-operation is to be found in the case of the old-age pension plan recently established by the New York Stock Exchange with the assistance of the Metropolitan Life Insurance Company. By reason of the scientific character of this plan there is no possibility that the financial burden may become unendurable or that the pensioned employees can ever fail to get their pensions. By Arthur Richmond Marsh. *The Economic World*, August 22, 1925, p. 272:1.

England's Old Age Pension Plan

The government of England proposes a plan of old age pensions starting at 65, widows' pensions, and a drastic readjustment of the present old-age and unemployment insurance plans. This is felt to be a good investment in industrial recovery, and an immediate remedy for the present intolerable unemployment situation. In this way young men can be put to work, the unemployment dole will be robbed of many of its economic terrors, production will be cheaper, and an old-age of comparative comfort will be assured to men and women thus enabled to retire. By Frank Plachy, Jr. *The Burroughs Clearing House*, September, 1925, p. 19:2½.

Profit Sharing Instead of Overtime Pay

The employees of James Pender and Company, a subsidiary of the British Empire Steel Corporation, have expressed their willingness to work overtime without pay in order to permit the company to compete with foreign manufacturers in export markets. The provision is made that should any profits accrue from the export business under this arrangement, the men are to receive 75 per cent of the profits.

They are to put in three extra hours every other evening. *Industrial Relations: Bloomfield's Labor Digest*, September 19, 1925.

Paid Vacations for Workers

The plan successfully applied since 1919 by the Norton Company, manufacturers of abrasive wheels and grinding machines, involves 1,200 of the 2,100 employees. Three years of service, not necessarily continuous, entitles a worker to a week's vacation with pay. Nearly 50 employees receive two weeks with pay because they have been with the company 25 years or longer. Vacations, though largely in the summer season, are distributed so as to cause a minimum of interference with plant operations. This program has resulted in smaller labor turnover, reduced absenteeism, stimulation of effort and improved morale. By John Nelson. *Iron Age*, September 17, 1925, p. 743:1½.

Pension Plan Changed by Printers' Union

Old-age pension law changes were made by the annual convention of the International Typographical Union. The new law raises the age limit to 65 years, and the good standing qualification to 25 years. Pensions will be paid only in case of total disability for work at the trade or failure to secure sustaining employment in other lines. *Industrial Relations: Bloomfield's Labor Digest*, August 29, 1925.

Service Reward Pins

The Simonds Saw and Steel Company recently presented service pins to all employees who had served the company five years or multiples thereof. Among other concerns rewarding their employees by service pins and emblems are the following: Plymouth Cordage Company give their fifty-year service men pins with ten diamonds, and other emblems are given for those employed five, ten, fifteen, twenty, etc. years; The Norton Company awards those of twenty-five years' service

with gold medals; The Farr Alpaca Company gives pins for every five years' service, the number of stones varying with the number of years of service; at the Whitin Machine Works gold service pins with ten diamonds have been given to employees with fifty years' service to their credit. Other service pins are given to those with forty to fifty years' service. *Industry*, August 22, 1925.

Supplemental Bonus Plan

An electrical supply company has instituted a supplemental bonus plan which does not have the usual clearly defined rules, but which is based upon the general merit of the worker and not upon any one desirable quality. Awards are made annually to the worker in proportion to general merit, length of service and the number of valuable suggestions made by him. At the end of the first year, 1 per cent of the average salary is paid, increasing 1 per cent yearly until a maximum of 5 per cent is reached.

A reserve fund is used to equalize wages or salaries. If at the end of the year the executive officers feel that any employee is perhaps underpaid, an additional compensation is given to make up for this deficiency.

The suggestion system of this company is different from the ordinary one in that the amount granted is graded according to the rank of the employee. For example, if the ordinary workman were awarded \$50 for a suggestion, the foreman would receive \$25 and the superintendent only \$10. The company feels that the worker is entitled to a relatively greater reward for valuable suggestions. *National Industrial Conference Board, Service Letter No. 285*.

Types of Thrift Plans

A survey made in nineteen Philadelphia plants shows that sixteen of them support some form of insurance. Another type of plant thrift is some form of savings

fund. This may be divided into two groups: the fund deposited with the community savings bank at the regular interest rates, deposits being made weekly from the payroll; the fund invested either with the company or through a directorate in such a way as to bring the highest market interest rate consistent with safety.

The Christmas or Vacation Club feature of plant savings is a method fast passing from favor. There is a growing sentiment for a thrift structure within industry based upon a theory of saving for investment rather than temporary saving for a specific purpose.

A recent development in saving machinery is that of the automatic teller. This has been used to supplement a savings fund in one firm, while in another firm a building and loan association is also available. By Margaret H. Schoenfeld. *Trend of Wage Earners' Savings in Philadelphia. Supp. to Annals of the American Academy of Political and Social Science*, September, 1925, ch. 4, p. 18:7½.

Labor Relations: Collective Bargaining, Arbitration, Employee Representation

How the States Provide for Arbitration of Labor Disputes

A digest of the state labor machinery, covering all of the states. Those states which do not provide for arbitration are Delaware, Florida, Kentucky, Nebraska, North Carolina, North Dakota, and Tennessee. *Industrial Relations: Bloomfield's Labor Digest*, Sept. 5, 1925.

Settling Business Disputes by Arbitration

Offering relief in the settlement of many of the disputes of business, the new federal arbitration act goes into effect January 1, 1926, making enforceable in federal courts the awards of arbitrators. This act makes it possible for business men to settle their disputes outside of court through the medium of an arbitrator, decisions so ar-

British Unemployment Insurance

There are two forms of unemployment insurance in England now, spoken of as standard and extended benefits. Claims to extended benefits are submitted for decisions to local employment committees, composed of representatives of employers and workpeople, and to be eligible for such extended benefit the applicant must be an unemployed person, normally working in an insurable trade, who is genuinely seeking whole time employment and who has exhausted his rights derived from contributions. In spite of the extended benefits, however, a very large proportion of the amount distributed is contributed by the employed persons and the employers themselves.

The Unemployment Fund was created as a means of setting the good times against the bad times and so evening out the effects of depressions. At the present time comparatively little improvement is necessary to make the Fund self-supporting. *The Index*, September, 1925, p. 12:2.

rived at having all the validity and force of a court decision. *Brick and Clay Record*, Sept. 1, 1925, p. 334:½.

Does Organized Labor Favor Arbitration?

In the highly organized garment trades there is a costly arbitration machinery, and "outsiders" receiving as high as twenty thousand dollars a year for their services, act as arbitrators and impartial chairmen.

On many a railroad system there is what we may call an inside system of arbitration, also working well.

In short, there are plenty of instances, union and non-union, with provision for conference and adjustment at stated times. In the mining industry alone, neither side has learned to live either with or without

arbitration. *Industrial Relations: Bloomfield's Labor Digest*, August 29, 1925.

Union-Management Co-operation in Railroading

A recent survey of its operation on the Baltimore and Ohio Railroad. In general, the men seem well pleased with the material benefits accruing to them under this plan, and find their morale strengthened. Some of the specific results are: Improvements in quantity and quality of products, and in service to the public; reduction in unit costs, labor turnover and

grievances; a saving in materials and supplies. A consideration of the philosophy upon which the plan rests is given, and instances of similar plans on other roads. *Law and Labor*, September, 1925, p. 239: 3½.

Issues in the Anthracite Strike of 1925

A review of strikes since 1902 is presented by the counsel for the anthracite operators, in connection with the present anthracite strike, including some historical facts. Address by Walter Gordon Merritt, Sept. 10, 1925, 16½ pages.

Shop Organization: Methods, Salvage, Waste, Job Assignments

Fire Prevention for Industrial Plants

The watchman is the most important factor in fire prevention, as the safety of the plant depends on him whenever everyone else is off duty. A detailed summary of the watchman's duties are given, under fourteen points. By George H. Greenfield. *Industrial Canada*, Sept., 1925, p. 46:2.

Executive Control of Power Economy

Ways of lowering operating cost, and graphic aids which keep the busy executive instantly informed whether power generation is as efficient as it can be, and if not, why not. Also methods of dealing with the human differential. In this field of eliminating fuel and steam losses,

no one can claim that his plant is an exception. By Walter N. Polakov. *Management in Manufacturing*, Sept., 1925, p. 129:4.

Machinery Must Be Substituted for Hand Labor

The factory manager of J. L. Kraft and Brothers Company describes the use of new methods which return 548.8 per cent on equipment investment, namely, the procedure in packing and repacking over one hundred tons of cheese per day. This system of conveyors has removed congestion, has done away with expensive delays and has eliminated many men. By C. H. Kraft. *Factory*, September, 1925, p. 372:1½.

SALES MANAGEMENT

Personnel Paramount in Store Service

The sales people and store managers should be given monthly their individual standings in number of sales handled, total sales, average receipts per sale, total cash register errors, etc. Incentives must exist for the store personnel to do their best and to increase their capacity and ability. These may consist largely of assurances of fair treatment in the handling of com-

plaints, advancement as warranted, development of stores' managers from sales and office forces, vacations with pay, etc. By E. F. DeGrandpre. *Commissary*, September, 1925, p. 7:2.

Legal Pitfalls in Marketing Products

Illustrations of hairline decisions made in cases arising under the anti-trust law, including premiums for salesmen, resale

price standardization, building trades difficulties. The uncertainty as to what is lawful or not gives rise to the question of whether an infringement of the law is intentional or inadvertent. By Gilbert H. Montague. *Management in Manufacturing*, September, 1925, p. 153:2.

"Can He Pay?"—Our Salesmen Tell Us

The Francis H. Leggett Company has made the salesman a member of the collection department and he co-operates very closely in the matter of determining the customer's credit. He sizes up the store and determines from its appearance the attitude of the clerks and other details, the actual condition of the store's business. A summary of these details is sent back to the firm and the credit department knows exactly how to handle the customer's account. This company has 300 salesmen as field members of the credit and collection staffs. By Robert E. Nuese. *System*, September, 1925, p. 275:2%.

Lack of Knowledge Chief Cause of Waste in Distribution

Some of the main wastes in distribution are due to a lack of knowledge of: 1. Whether there is a market for a given

product; 2. How large the market is for that product; 3. Where that market is; 4. How difficult a task it is to reach that market; 5. How a given market may be reached with sales messages; 6. What kind of sales message will be most effective? Then there are wastes due to lack of proper co-ordination of all the sales and advertising activities in a given program, to untruthfulness, and to the selling of products or services which do not have a useful place in society. By Dr. Daniel Starch. *The Canadian Manufacturer*, August, 1925, p. 22:1.

How We Control Our Merchandise

The method is described in detail for keeping check on purchases and stock as used by the Wolff & Marx Company. They have placed the responsibility of each department up to the department heads, vesting in them the power to make of them what they will, according to their ability. But to assure the management that each department head is keeping his sales up to the average and his stock low enough to assure successful practice, reports are turned in at certain periods which show at a glance the trend of the business and the efficiency of the store. By B. C. Reber. *Store Operation*, September, 1925, p. 7:2.

Space: Location, Equipment, Arrangement

Location of Store's Personnel Department

A training director discusses the necessity of accessibility and proper layout for efficient work. The large department stores are meeting this necessity in various ways. Whole floors are reserved for classrooms and for welfare work, usually at the top of the building. One New York house has recently built a bungalow on the roof to be used for meetings, which is a satisfactory arrangement, as it is far from the disturbances incident to the running of the store.

A training department should have, first, a small office, preferably near the employ-

ment office; next, a large room somewhere in the house, and certain smaller rooms for instruction. By Ada Collins Holme. *Store Operation*, September, 1925, p. 9:1½.

Improving Department Store Technique

The director of planning, R. H. Macy and Company, Inc., describes some of the problems which that department aids in solving, and outlines its function with regard to the rest of the organization. Details accompanying a complicated moving process are mentioned. By B. Eugenia Lies. *Bulletin of the Taylor Society*, August, 1925, p. 185:6.

Sales Promotion: *Letters, House Organs, Advertising*

Getting Salesmen to "Cash In" on the Advertising

A digest of the plans and methods suggested to a manufacturer by over two hundred executives in various lines of business. The report contains over thirty concrete suggestions for getting advertising co-operation from salesmen. Report No. 212. The Dartnell Corporation. 36 pages.

Picking a Keynote for the Sales Convention

The Paint and Varnish Division of the DuPont Company thus sums up the main features of a recent successful convention: 1. It had a definite keynote. 2. It had a balanced program combining entertainment and business. 3. It had a planned program. 4. It lasted only two days. 5. It offered a definite method of follow-up. 6. It was held at a logical time. The convention keynote was a scientific analysis of each salesman's opportunities, and the program was planned to make every address and every meeting in the convention touch on this one point from a different angle. By Amos Bradbury. *Printers' Ink Monthly*, September, 1925, p. 29:2.

Salesmen: *Selection, Training, Compensation*

Schoolroom on Roof

The large pent house on the roof of the Frank and Seder store is the classroom for the educational department. This store has no floormen except two on the main floor. Floor system and discipline are under the direction of the educational department. *Store Operation*, September, 1925, p. 29:4.

Is the Salesman Over Forty a "Has Been"?

The thought is brought out—why not go out and get a few of these men who have been through the mill? The point is made that between extreme youth and old age,

A Sales Report That Helps to Balance Sales

The Mason Tire and Rubber Company has recently instituted a system of sales reports which helps to solve the problem of directing a field force of salesmen. The foundation of these reports is the factory copy of invoices from which they are compiled. They visualize in simple form to each salesman what company policy means in relation to his own territory. Thus each salesman is his own sales manager, with his responsibility always before him. These reports are sent monthly to each salesman, branch manager and district manager. By Roy Dickinson. *Printers' Ink*, September 10, 1925, p. 167:2.

Too Much Santa Claus

A description is given of what happens when salesmen send out Yuletide greetings. In considering this subject it is necessary to realize that it is simply part of the larger subject of commercial bribery. The large majority of buyers look upon the Christmas gift idea either with ridicule or with distinct dislike. It is time that management stepped in and rectified this badly bungled situation. By E. B. Weiss. *Printers' Ink*, September 3, 1925, p. 138:5.

so far as salesmen go, there is a big middle group composed of men who are old enough to have lost their love of wandering, and have had some real experience in contact with other concerns. By A. H. Deute. *Printers' Ink*, August 27, 1925, p. 41:3 $\frac{1}{4}$.

Five Sales Managers Tell How They Deal With Commission Wrangles

Methods of handling the eternal question, "Who gets the credit?" when two salesmen work on the same order. In an effort to present the policies and experiences of other concerns which have had

to settle the split commission problem, letters are printed from members of the Grand Rapids Show Case Company, the Tide Water Oil Sales Corporation and the Royal Typewriter Company. *Sales Management*, July 25, 1925, p. 85:1 $\frac{1}{3}$.

Operation of an Automatic Sales Bonus Plan

In addition to the semi-annual salary adjustment, the Joseph Horne Company gives each salesman a sales bonus based on the sales in excess of the seasonal sales quota. The method of figuring the bonus does not differ radically from the method of figuring the salary adjustment. All that is necessary is to compute the sales quota for the season the bonus is to be paid, based on the sales clerk's salary and the department's selling cost per cent, averaged for the preceding five years. By J. K. Novins. *Store Operation*, September, 1925, p. 11:2 $\frac{1}{2}$.

Keeping the Sales Organization Happy and Growing

An outline of methods whereby all members of the sales organization of the Paraffine Companies are kept informed as to the policies of the company, and its progress. Ways are described as to how everyone, from the office boy to the salesman and department manager, can be trained and developed. By B. J. Williams. *Printers' Ink*, August 20, 1925, p. 3:4 $\frac{1}{2}$.

Course in Retail Salesmanship

The Western Wholesale Drug Company for some time past has been conducting a sales institute. These meetings are held once weekly. They have been very successful and many of those in attendance report increased sales and better selling methods in their stores. This has been accomplished through intelligent handling of the customers, showing larger sizes, quoting quantity prices, suggesting associated items, watching handling of stock and increased knowledge of the merchandise itself. *Tile and Till*, August, 1925.

Rating Plan at Shepard Stores

This system provides for a triple rating, one by the department manager, one by a special executive familiar with the employee, or associate, as he is called, and a third, which is a self-rating by the employee himself. With this is a final summary, compiled by the Personnel Department, from an average of the three cards. The rating is done monthly, and is based upon ability, alertness, attendance, appearance, courtesy, thoroughness, and willingness. By F. N. Hollingsworth. *Store Operation*, August, 1925, p. 11:1 $\frac{1}{3}$.

Getting Your Salesmen to Work Harder

The secret is the formulation of a proper incentive, and one of the best incentives is a scientific scheme of compensation. Pride is also another strong influence in getting salesmen to work harder. The establishing of sales control systems is another effective way. A brief summary follows of methods used by sales managers of various companies. By John Allen Murphy. *Printers' Ink*, August 27, 1925, p. 3:6.

The Problem of Differences in Salesmen's Salaries

More houses side-step this issue than meet it squarely. Yet the man who is worth more should be paid more. But if this policy is going to cause a feeling of jealousy on the part of the other salesmen the issue must be met, and this can probably best be done in a frank discussion. The best time to arouse the interest of a lagging salesman is when he himself has been aroused over the money question. By Jesse Calvin. *Printers' Ink Monthly*, September, 1925, p. 33:1 $\frac{1}{2}$.

Salesmanship

Why Not Abolish the Dotted Line?

Interviewers with buyers and salesmen indicate that many sales are lost because signatures to orders are insisted upon.

There are doubtless sales made where signatures are very desirable, but there are many transactions that could be made easier by its elimination, and if salesmen did not have that "dotted line" in their minds perhaps they could concentrate better on the line they sell. By James A. Worsham. *Printers' Ink*, September 17, 1925, p. 33½.

When Is a Sale Completed?

A sale is not completed even when the transaction has been well handled and the customer satisfied with his purchase, unless he comes back for further supplies, because otherwise the selling expense of the initial transaction is excessive. In other words, a concern which depends altogether on first-time business must face a terrific overhead, and that kills the profits and may even make an invasion upon the

capital investment itself. If this can be impressed sufficiently upon salespeople, one of the greatest merchandising problems will be solved. By Lester G. Herbert. *The Manufacturing Jeweler*, September 3, 1925, p. 20:1.

The Rising Tide of Direct Selling

House to house salesmen have seized control by refusing to wait for the buyer to take the initiative. Unless the retailer raises his standards of salesmanship and sales promotion, the house to house salesman will ride rough shod over him. But those who are tempted to jump into the field of direct selling should appreciate the fact that it is not easy money; the selling plan or method in itself is no touchstone to success and long profits. By D. M. Hubbard. *Printers' Ink*, September 3, 1925, p. 37:4.

Books Received

A Survey of Personnel Activities. By the Committee on Labor Relations and Employment Managers Group. Cleveland Chamber of Commerce, Cleveland, 1925. 23 pages.

Uniform Medical Provisions for Workmen's Compensation Acts in the United States. Special Report No. 31. National Industrial Conference Board, Inc., N. Y., 1925. 28 pages. \$1.00.

Public Speaking for Business Men. By Sidney F. Wicks. Frederick A. Stokes Co., N. Y., 1925. 199 pages. \$2.25.

The Consolidation of Railroads. By Walter M. W. Splawn, Ph.D. Macmillan, N. Y., 1925. 282 pages. \$3.00.

Credit Management. By Emery E. Olson and J. W. Hallman. Ronald Press, N. Y., 1925. 438 pages. \$4.50.

The Growth of Works Councils in the United States Special Report No. 32. National Industrial Conference Board, N. Y., 1925. 15 pages. 50¢.

Wages and Hours in American Industry. National Industrial Conference Board, N. Y., 1925. 199 pages. \$2.50.

Sharing Management With the Workers. By Ben M. Selekman. Russell Sage Foundation, N. Y., 1924. 133 pages. \$1.50.

An Introduction to Economic Geography. Volume I. Natural Environment as Related to Economic Life. By Wellington D. Jones and Derwent S. Whittlesey. University of Chicago Press, Chicago, 1925. 362 pages. \$5.00.

Public Ownership. By Carl D. Thompson, M.A. Thomas Y. Crowell Co., N. Y., 1925. 435 pages. \$3.00.

Child Labor. By Julia E. Johnsen. H. W. Wilson Co., N. Y., 1925. 371 pages. \$2.40.

Publicity—Some of the Things It Is and Is Not. By Ivy L. Lee. Industries Publishing Co., N. Y., 1925. 64 pages. \$1.00.

The Regularization of Employment. By H. Feldman, Ph.D. Harper & Bros., N. Y., 1925. 427 pages. \$3.50.

Manual of Office Practice. By Frederick J. Adams. Charles Scribner's Sons, N. Y., 1924. 96 pages. \$1.25.

Proposed Plan For a School of Trades For Rio De Janeiro, Brazil. By Chas. A. Bennett. Manual Arts Press, Peoria, Ill. 56 pages. 50¢.

More Profits From Merchandising. By Edward A. Filene. A. W. Shaw, Chicago, 1925. 159 pages. \$2.50.

The Financial History of the American Telephone and Telegraph Company.

By J. Warren Stehman, Ph.D. Houghton Mifflin, N. Y., 1925. 332 pages, \$2.50.

A Plan For Self-Management. By Everett W. Lord. Ronald Press, N. Y., 1925. 184 pages. \$1.25.

Peace and Goodwill in Industry. By Stanley Baldwin. Dial Press, Inc., N. Y., 1925.

The Business of Life. Vol. I and II. Oxford University Press, N. Y., 1924. 959 pages. \$10.00.

How To Read a Financial Statement. By Herbert G. Stockwell. Ronald Press, N. Y., 1925. 431 pages. \$4.50.

Survey of Books for Executives

Office Management — Principles and Practice. By William Henry Leffingwell. A. W. Shaw, Chicago, 1925. 838 pages. \$5.00.

Here is a fund of valuable information seemingly covering every phase of office detail and management, from the proper method of opening and sorting mail to the setting of standards and the most efficient plan of office layout.

Mr. Leffingwell's work is not a bit of light reading to while away a few hours of a vacation week-end. It's not that kind of book. On the other hand, it is an ideal guide for the executive who is wrestling with some problem of supervision or planning a new system to handle a certain phase of his office work.

Don't try to read "Office Management" page by page or to study it as a text. Let's hope no one of us needs it all. It was probably not written with that idea in mind, but rather as a comprehensive source of information, some of which would apply to any one of us. It is safe to say that the sections to which you refer you will find practical, written in a matter-of-fact vein, and readily understandable.

If there is a fault to be found with this work it may be that Mr. Leffingwell places the office manager on too high a pedestal. In theory the ideal duties of such an executive might warrant this lofty position.

In most organizations, however, he would require the title of Vice-President in addition to attempt to carry out the duties and effect the reforms the author sets for him.

Standardization—practical standardization—seems to be one of the author's watchwords. He gives considerable space to the subject as regards methods, equipment and personnel. Having come into such close contact with the inner workings of so many present-day business offices the author can speak with authority and first-hand information. While in a number of instances he rides rough-shod over some pet practices, in no case does he make a disparaging comment without offering a clear-cut remedy in return. His comments on the promiscuous buying of office equipment and the lavish use of valuable space for private offices, for example, are worthy of serious notice and will probably strike home in many organizations. His thoughts on typing and stenographic work, and his conception of the duties of a secretary are timely and should stiffen the spirit of the man who is wondering how much longer to put up with inefficient office assistance. And according to the author, by the way, the fault is not always with the stenographer or clerk, for neither does he spare the supervisor who is blind to his own shortcomings.

From the consideration of office methods, etc., we are led gradually into the treatment of personnel and its management, with a summary of various types of office workers and facts on job analysis, tests and employment. Mr. Leffingwell probably does not attempt to treat the subject of personnel from the standpoint of a specialist, but there is much in this section of his book which should be of assistance to the personnel manager.

As its name "Office Management" implies, the entire volume is constructed with an eye to the inter-relation of the various office functions and their dependence upon each other, rather than the special treatment of any one branch of office work.

Clearly indexed, the book becomes a ready reference manual for the every-day office executive, whether he be the world's prize theorist or its most practical shining light.

FRANCIS S. STAHL,
Personnel and Office Manager,
Tide Water Oil Company

Four Years of Labor Mobility. A study of Labor Turnover in a group of selected plants in Philadelphia, 1921-1924, by the Industrial Research Department, Wharton School of Finance and Commerce, University of Pennsylvania. Supplement to Vol. CXIX of the Annals of the American Academy of Political and Social Science, May, 1925. 146 pages.

This is easily the most comprehensive labor turnover study of a specific industrial group that has ever been published. Its special value is that it covers a four-year period and shows turnover during various phases of the business cycle, a subject upon which information has hitherto been scant. The results show that the business cycle, as well as plant conditions, affects the labor turnover rate to an extent not always realized.

The report covers a period of four years in textile, metal, chemical and shipbuilding plants. Firms were decreasing their pay-

rolls through 1921, and the first part of 1922, increasing in the major part of 1922, and decreasing moderately but steadily from the middle of 1923 almost to the end of 1924.

The value of the report is greatly reduced by the fact that the constituent plants wanted to avoid identification and the results had to be reported in proportionate figures. Apart from this serious handicap there is the further objection that the statistical basis of turnover is still unsettled; there is no standard classification of occupations or of reasons for leaving, or even of definition.

Under these circumstances the Industrial Research Department had to blaze a trail and invent its machinery upon which to create its report.

In comparison with existing statistics the report is very confusing. It fails to mention the numbers of employees in all instances and generally states results in proportion and not in percentage. Taken as a unit, however, the subject is treated exhaustively. It covers turnover rates annually, quarterly and monthly, considers the main divisions of turnover and the major reasons for separation. The rate, which is stated in the form of the percentage of the number of terminations to the average force on the payroll, was 101.3, 95.6, 114.0 and 64.1 from 1921. In the combined figures of all firms it is shown that in 1922, 64 per cent of all the separations had less than three months' service in any one plant and 85 per cent less than a year.

Turnover is three times higher among unskilled workers than among skilled men although the latter are apt to change jobs for the purpose of increasing experience. Sex appears to be an inconsiderable factor in turnover rates. Independent of occupation, turnover is much the same for different nationalities and different sexes. Education does not appear to have much influence on rates although there is a definite tendency for grammar school students to be more stable on semi-skilled

than on unskilled jobs. For anyone who has the time and the patience to adapt the figures to existing statistics the study will be found to be valuable.

J. D. HACKETT,
Labor Relations Service.

Purchasing Power of the Consumer. A Statistical Index.

By Wm. A. Berridge, Ph.D.; Emma A. Winslow, Ph.D., and Richard A. Flinn. A. W. Shaw Company, Chicago, 1925. 312 pages. \$4.00.

Professor Berridge builds up a series based on payrolls to show the time variation of factory workers' income. Little attention is paid to geographic differences, or to finding what effect a change in real income has on purchases of commodities. Miss Winslow, on the other hand, attempts to throw light on these problems by an analysis of published budget studies. The aim of her work is to determine differences in the kind of expenditure according to size of income, family composition, urban or rural conditions, and the like. Mr. Flinn's paper is of somewhat the same type as Professor Berridge's, but more limited in scope. He advocates the use of the relation between demand and supply of labor, as registered by public employment offices, as a measure of purchasing power.

Professor Berridge's study, while not so lengthy as that of Miss Winslow, perhaps furnishes a more clear-cut and positive contribution to the problem. The purpose of this study is fourfold:

1. To construct a monthly index of the money incomes received by the factory workers as a class in the United States, both as a whole, and by leading industries.
2. To translate the index of money income into an index of real income.
3. To compare these indexes critically with other indexes differently derived, but intimately related to trade and buying power.
4. To outline a selected group of further projects in buying-power research—including the geographical distribution of factory-workers' incomes.

This group of factory workers was chosen for the study because (1) it is estimated manufacturing industries have contributed about one-fourth of the national income; (2) the income received by factory workers varies decidedly within short periods of time, and (3) a good deal of reliable statistical material is now available for this class of income.

In general, Dr. Berridge has combined various statistical series of factory earnings into an index weighted on the basis of the total wage bill of the several industries or industrial groups of 1919. This index has then been compared with other economic indices. Some of the relations observed are the following:

1. An index of *employment* seems to anticipate the earnings curve by about three months.
2. *Wage rates* lag from four to eight months behind incomes.
3. *Savings* seem to lag six to twelve months after payrolls.
4. *Magazine advertising* moves slightly in advance of incomes.
5. The general physical *volume of trade* tends to move along with incomes, but runs lower from the middle of 1922.
6. A curve of "speculation" seems to forecast factory workers' money incomes from seven to eleven months.

Professor Berridge recognizes that further data are needed before definite conclusions can be drawn, particularly data on wage rates, labor mobility, and regional earnings.

The viewpoint of Dr. Winslow's essay is that a statistical index of the purchasing power of consumers might function by showing the probable purchasing power of a certain number of persons living at a certain period of time under certain living conditions, and that much help in answering the questions implied by this concept can be obtained from budget investigations.

The author considers a large number of budget studies, and brings out the fact that they are seldom directly comparable. The families selected for investigation are

seldom chosen on the same basis. Even the special investigations made by the Bureau of Labor Statistics at three different times are not strictly comparable because of special rules made for each investigation.

One conclusion drawn by the author from available evidence is that average income, as defined in budget studies, increases as the size of the family increases. While the average income per family increases with the size of family, expenditure per capita is reduced, and a smaller amount is available for sundries. If the family is reduced to one—that is to say, for a single man or woman—the budget seems to be 50 to 58 per cent of that for a family of four or five.

Few statistics are available on the budget of rural incomes, although it is estimated that about one-third of the living cost on farms is represented by direct money expenditures. However, the development of the country and specialization in farming are tending to remove the natural differences between rural and urban budgets.

While the line of thought followed by Miss Winslow is fundamental for a real study of the demand for any particular commodity, the author's method of treatment frequently seems to be somewhat confused and lacking in incisiveness.

Mr. Flinn's brief study is based on his observation that wage demands seem to be modified in accordance with the "guesses" made by workers themselves as to future employment conditions in a particular factory or in specific industries. He believes, therefore, that as a gauge of purchasing power, the ratio of the number of workers seeking employment to the number of persons wanted for employment, will be more valuable than other more refined indices. It may also be compiled promptly from the records of public employment offices in certain sections, particularly in New York State.

While the point of view developed is interesting and perhaps deserving of further study, no really new material or methods are developed.

Researches of the sort here reviewed should ultimately prove to be of great value to industry and should be encouraged. The J. Walter Thompson Company is to be congratulated on its happy thought in arranging for the Prize Essay Contest which resulted in these valuable studies. The publishers also have done a very creditable piece of work.

EDMOND E. LINCOLN, *Statistician,
Western Electric Co.*

The Ways of the Mind. By Henry Foster Adams. Charles Scribner's Sons, New York, 1925. 331 pages. \$1.50.

This book is a treatise on the study and use of psychology which is no longer a luxury, but a necessity in solving many problems of life. Educational practice is based upon psychological facts. Modern business, on the human side, must be founded upon a sound psychology. Psychological tests, mental hygiene, the psychology of selling and advertising and many other phases of psychology are generally recognized by business men. This book is more of a text-book on general psychology than a treatise of the application of psychology to business.

Personnel Organization. By E. H. Fish, Alexander Hamilton Church, et al. International Textbook Company, Scranton, Pa., 1922. 31 sections.

This review will consider the Personnel Organization group of the Business Management Course of the International Correspondence Schools which consists of a reference library of many business subjects, arranged for study purposes into vocational groups. Each student is entitled, among other things, to instruction in the lessons of any selected group.

An inspection of this group reveals thirty-one pamphlets devoted to twelve major subjects. The first four of these pamphlets deal with Production Organization, the next three with Personnel Relations, and the next two with Psychology of

Employment. Next in order comes *The Making of An Executive*, in ten parts, and single pamphlets devoted to Profit Sharing and Bonus Systems, Insurance and Pensions, Savings and Loan Plans, Industrial Welfare Work, Industrial Representation, and Selling as a Business Force. The context of Safety Fundamentals fills five booklets and the content of the final brochure unfolds to you the secret of How to Sell Your Services.

Apparently, there is a lack of balance of subject matter. To be sure, the embryo personnel man should develop an interest in production organization, in making himself an executive, and in broad management principles and practices, but he should first make himself acquainted with the philosophy of human relations in industry and with the technique of personnel administration. Does it not seem logical to expect that a course in Personnel Organization would narrow its limits to exclude subject matter other than that germane to an exposition of this philosophy and to a description of this technique? Should not the student look to courses in business administration, industrial management, etc., for a broader management viewpoint?

The subject matter is not characterized at all times by accuracy of statement. There is frequently a somewhat careless and dilettante presentation of information. Let us, for example, consider the two pamphlets by E. H. Fish dealing with the Psychology of Employment. On page 5 of Part 1 the following statement appears: "The results of the test and experience are tabulated side by side and compared, and their degree of correlation is determined. . . . The mathematical method of computing these correlations is given in Appendix "A." In Appendix A is found the caption: "Correlations," under which appears the statement: "The average deviation (A.D.) . . . is found by averaging the squares of his individual deviations and extracting the square root of that average." Any student of elementary statistics knows that a deviation is a measure of variability and not a measure of

relationship or correlation. Furthermore, the definition given of Average Deviation is not correct, as it is the definition of Standard Deviation. The reviewer could also point out a mass of dogmatic and psuedo-scientific nonsense with which the author has burdened the context of the Psychology of Employment. Instead he will merely express the opinion that this section of the Course is practically without value.

There is much excellent material in this course, but unfortunately it is eclipsed by a plethora of mediocre essays.

HAROLD B. BERGEN, *Manager,
Personnel Department,
Henry L. Doherty & Co.*

Selected Articles on Child Labor. Compiled by Julia E. Johnsen. The H. W. Wilson Company, New York, 1925. 371 pages. \$2.40.

An excellent brief in favor of and also against the Child Labor Amendment is presented. Also an extremely valuable bibliography of nearly 40 pages together with the best articles on both sides of the subject.

Principles of Investment. By A. M. Sakolski, Ph.D. Ronald Press Co., N. Y., 1925. 491 pages. \$4.50.

In this work Dr. Sakolski has made a valuable addition to investment literature. He has covered a very broad field of historical review, descriptive explanation and scientific analysis but develops his subjects so gradually and clearly as to make the book equally useful—as: An interesting guide and explanation for the layman; a comprehensive text book for the student, or as handy reference for the expert. In a general survey he shows the nature, development, principles, fields and classification of investment, classes of investors, and mechanics of investment. More in detail he takes up the subjects of Commercial and Real Estate Loans, Civil

Loans, and Corporation Securities. The recent developments and trends of all these forms of investment have been brought up to date. The explanations of privileges and obligations and his various tests of values are distinctly helpful. In a comprehensive appendix there is useful information on Sources of Bond Investment, Listing Requirements, State Laws Regulating Savings Bank Investment and a practical section of Problems and Questions.

ARTHUR M. COLLENS,

*Financial Vice-President,
Phænix Mutual Life Insurance Co.*

Actual Business English and Correspondence. By P. H. Deffendall. The Macmillan Company, New York, 1925. 257 pages. \$2.25.

The editor's introduction is a most complete review and well worth reading.

While this publication presents the make-up of a text book—the kind of book that most business men desire to avoid—its contents are of practical value, indicating that the compiler has made an exhaustive study of practical business English, as well as possessing the "nth degree" of knowledge on the subject of what is good and bad form.

To the instructor of formal English in schools, and especially in business institutions which have formulated such courses, the book should prove indispensable. To the average boy or girl, grammar is a necessary evil, having a very indefinite practical value, but Mr. Deffendall has presented the subject in a most attractive manner. The editor's introduction puts the matter tersely, when he states, "No such sentences as 'The lowing herd wind slowly o'er the lea,' appear in his work. This is not because such sentences are not beautiful and correct, but because 'The growing company moved into a new building,' suits Mr. Deffendall's purpose better, and has a stronger appeal to enthusiastic

commercial students." Many other illustrations of practical value may be found. For instance, on Page 92, in presenting "How to Use Prepositions Correctly," the following is an apt illustration—"Angry with a person. You cannot afford to become angry with a customer."

Pages 200 to 214 of Book I are illustrative of the practical value of this publication. Mr. Deffendall states very definitely that "the ability to use correct English in speaking and writing is largely a matter of habit," and then follows what he has termed "Good Usage Drills." A casual review of the "List of Drills" calls to mind an amusing incident in the life of Dickens. It is related that Dickens, who, as a small boy had met Thomas Carlyle, greatly admired him and often expressed regret that he was not privileged to know him intimately. One day he expressed this regret to an intimate friend who was interested in spiritualism and an invitation was immediately extended to attend a séance where an opportunity would be given Dickens to converse with Carlyle who had long since passed on to the Great Unknown. When the medium had been in communion with the spirits for considerable time, Dickens expressed his desire to speak with Thomas Carlyle. The spirit was manifested and Dickens asked, "Are you Thomas Carlyle?" And a voice out of the darkness of the room replied, "I are." Many mediums of business correspondence would find the "Good Usage Drills" compiled by Mr. Deffendall most profitable.

The second half of the book is replete with some excellent illustrations of good forms of business letters, many of them being practical excerpts from the effective letters of "big business."

Advertising and publicity managers will find this second portion of the publication of interest and value.

L. N. DENNISTON,
*Supt. of Instruction and Training,
The Travelers Insurance Co.*